

## THE ECONOMY OF INDO-CHINA

did not enjoy a sufficiently privileged position there. The press played up their viewpoint, and many were won over to the Protectionist fold. The expense of the Tonkin campaigns and of the new organization of the colony aggravated the feeling that Indo-China should begin to pay for itself. The crisis of 1882, with its lowering of prices, in addition to the recent taxes placed on French goods by certain of the colonies, fanned an aggrieved Metropole's ardour for tariff protection. Certainly a change was inevitable, but Paris vacillated between decreeing a special tariff for Indo-China and applying the regular French tariff. The colony, when consulted, agreed to protection, but wanted a system of preferential tariff applied to French goods. The result was a compromise, with the Metropolitan regime prevailing, and mitigated only by a list of exceptions.

Errors were naturally rife in this exceptions list. Certain articles never made or even heard of in France were taxed from 10 to 23 per cent, like Chinese medicines and exotic foods relished by the Annamites. The first application was disastrous for the country. Imports fell swiftly and were very soon followed by exports. The number of bankruptcies was significant, and the local budget was threatened with a deficit. Unanimous protests arose from the colonials, which won a new tariff arrangement. Foreign products having no equivalents in French industry were exempted from duty, or had their rates radically reduced. Though the situation was economically improved, relations between France and Indo-China were strained. The Metropole's obvious wish to reserve for itself the colonial market, and to bring in revenues that might offset the expenses of conquest, had resulted in

increasing the  
of colonial living. A sad picture of Indo-China's  
economic plight  
was drawn at the Colonial Congress of 1889. There the  
colony voiced  
its wish for a return to free trade, as well as a  
realization of the futility  
of such a desire in the face of a ruthlessly protectionist  
Parliament.

About 1890, the world situation was such that  
France felt the need  
of a radical economic change. The rapid  
industrialization of Northern  
Europe and America contrasted with the growing  
weight of the French  
national debt and the obvious decadence of France's  
merchant marine.

*The* result was business, stagnation. At the same  
time, other  
were encircling their colonies with a tariff wall that  
closed those  
to French goods. The nervous haste evinced by France  
for

that would ameliorate her situation. It  
revealed in the tariff  
law of 1903 *J.Syt.* It showed the current